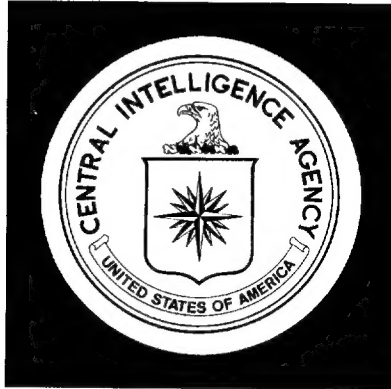


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# Intelligence Memorandum

*NATO's December Ministerial: Many Problems, Few Solutions*

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December 9, 1974

## NATO's December Ministerial: Many Problems, Few Solutions

### Summary

NATO's foreign and defense ministers, when they meet in Brussels this week, will be taking a hard look at the viability of the alliance. That the members will confront such a difficult topic directly indicates that NATO as a mechanism for political consultation is functioning well. That this topic needs to be dealt with at all is an index of the gravity of the alliance's overall condition.

The period from the ministerial last June to the December gathering has been one of unusual turbulence. In the summer, NATO was confronted with the very real possibility that two of its members, Greece and Turkey, might be opposing each other in a war. The alliance's handling of that difficult situation in part provoked Greece's withdrawal from NATO's integrated military command.

This fall, the presence of Communists in the government of Portugal caused NATO to cut off the flow of nuclear information to Lisbon and to ease the Portuguese out of the alliance's nuclear planning machinery. Further decisions about how to handle the Portuguese will be influenced by an awareness that a similar situation could conceivably arise in the case of other members.

As a backdrop to these events, the economic situation in many NATO countries has deteriorated steadily. Already, the defense efforts of some have been affected, and many observers fear that far more serious consequences are still to come.

The conclusions the ministers draw about the state of the alliance will have a bearing on their evaluation of detente. Although all NATO members espouse the goals of detente, there have been few concrete accomplishments to point to recently, other than the US-Soviet agreement on SALT principles at Vladivostok. The ministers will be assessing the prospects for concluding the slow-moving European security conference and for making progress at the stalled force reduction talks.

Hanging over the conference will be the threat of renewed conflict in the Middle East. The West European ministers will be interested in the US assessment of

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the situation, and may seek guarantees that they will be consulted about US activities in the event of a new Middle East crisis.

The defense ministers will meet on December 10 and 11 as the Defense Planning Committee. On the evening of December 10, some of them will convene as the Nuclear Planning Group. The foreign ministers will meet as the North Atlantic Council on December 12 and 13. The results of the meetings are not likely to be dramatic. Bold initiatives would require a degree of political will that is not much in evidence in most NATO governments this December.

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*No Foreign Dissem*The Greek Withdrawal

In August, when Athens announced that it was pulling out of NATO's integrated military command, the alliance's integrity was threatened as it had not been since the French military withdrawal in 1966. It is still difficult to gauge the impact of Greece's decision because the withdrawal itself has been only partially implemented. Nevertheless, the foreign ministers will be trying to assess the damage and seeking ways to repair it. They will no doubt conclude that the Greek withdrawal has had serious but not disastrous consequences for NATO's southern defenses, and they will probably opt for caution in dealing with the Karamanlis regime, in the hope of wooing Greece back into the NATO fold.

To date, there have been two important consequences of Greece's withdrawal. First, Greek armed forces are no longer under NATO command. At worst, this means that they cannot be counted on in the event of an attack on the alliance that does not involve a threat to Greece itself. Secondly, Greek and Turkish bilateral cooperation in the areas of communications and planning has ended. This cooperation was a basic element in NATO's defense concept for its southern flank.

Apart from these facts, Greece's intentions regarding the implementation of the military withdrawal are unclear. Two developments in recent weeks have added to the mystery. Greece announced its intention to cease sending representatives to the Defense Planning Committee, the Defense Review Committee, the Executive Working Group, and the Nuclear Planning Group. Subsequently, however, Greek representatives in Brussels participated in the activities of some of these bodies. In another strange move, the Greeks indicated that they still wish to occupy the honorary presidency of the North Atlantic Council at the December ministerial sessions and at the sessions scheduled for next June.

One interpretation of the ambiguous Greek behavior is that Karamanlis wished to wait until after the mid-November election before deciding how to proceed. Having

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achieved a clear victory, he could now decide to reverse the earlier decision to withdraw—a development the other NATO members would welcome but do not expect. More likely, Athens will enter into a lengthy series of negotiations with the alliance to decide the precise terms of Greece's future relationship.

As they have since the Greek withdrawal announcement, the other NATO members will want to proceed very carefully. They will be inclined to let Athens initiate action to resolve the myriad of questions about the relationship. The precise connection between Greek forces and NATO, including Greek participation in NATO military planning, will need to be determined. The members will have to decide whether allied forces and facilities can continue on Greek soil and whether Greek airspace can still be used. The future of US facilities in Greece will need to be discussed both bilaterally and in a NATO context. Greek participation in NATO's early warning air defense system and in various NATO communications systems are other unresolved questions.

The ministers next week may also give some thought to whether the attenuated Greek relationship with NATO presages similar moves toward partial participation by other alliance members. The difficulties with Portugal in the nuclear information area and the pressures on the Dutch to reduce defense spending, and consequently their NATO role, are giving the alliance particular concern in this regard.

#### Portugal

The current political situation in Portugal, which could also lead ultimately to a withdrawal, represents another threat to the integrity of NATO. Even if Lisbon remains in the alliance, as most of the provisional government's leaders claim to want to do, its continued membership has serious long-term implications.

The alliance has recently decided to cut off the flow of nuclear information to Lisbon and has eased the Portuguese out of the Nuclear Planning Group. The ostensible reason is the lax security situation in Lisbon, but the real concern of many NATO members centers on the presence of Communists in the Portuguese government.

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At their meetings, the ministers will be weighing this concern against the danger that NATO actions might stir up anti-NATO sentiment in Lisbon. By and large, the restrictions placed on the Portuguese have not provoked such a response so far, largely because the government has handled the situation in a low-key manner. Nevertheless, Portuguese leaders clearly are not happy with the situation, [REDACTED]

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The problem of Portuguese access to nuclear information seems to have been solved for the time being: no such information is being sent to Lisbon. Persuasion and postponement of the scheduled October meeting finally convinced the Portuguese that they should withdraw gracefully from the Nuclear Planning Group. Yet it is not clear how long Lisbon will agree to its exclusion from this important area of alliance activity. The Portuguese may, for example, claim at some point that the security situation in Lisbon has improved and that they therefore should again begin receiving nuclear information. This might force other NATO countries to make clear that the real problem is the presence of Communists in the Lisbon government.

The alliance will have to consider seriously the implications of setting precedents on such an issue. Some ministers are already wondering what NATO would do if confronted with Communists in the governments of other member states. While there is a legitimate concern about NATO security, there is equally the danger that NATO, in trying to protect its interests, may add to those pressures already pushing some members toward a curtailed role in the alliance.

#### The Economic Pinch

The deteriorating economic situation in the member countries will be a key topic of discussion. The ministers will discuss, in closed session, the likelihood that economic difficulties will have an adverse impact on the maintenance of NATO defenses, and they may consider possible remedies. They will have read a report from NATO's economic committee which concludes that,

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while the military potential of the Warsaw Pact is likely to increase rapidly, the resources available for defense in most NATO countries can only be expected to increase slowly.

The annual review of national defense efforts in NATO's Defense Review Committee has already revealed a number of disturbing developments:

--The Dutch are trying to reduce their nuclear responsibilities to NATO, as was shown by their recent decision to purchase only the non-nuclear version of the Lance tactical missile system. Last May, the Dutch also revealed plans to make substantial reductions in their active duty forces.

--Italy has announced its intention to reduce the number of conscripts drafted annually and to reduce their period of service from 15 to 12 months.



Some NATO observers are afraid that such developments, which individually might not be cataclysmic, represent a pattern that will eventually sap the alliance's military strength. Rampant inflation and other economic difficulties, when combined with a domestic political atmosphere that makes cuts in defense spending more popular than reductions in social programs, may lead NATO countries to make decisions that could lower the effectiveness of their military forces and the contribution they are willing to make to the alliance.

In addition to the direct impact of economic problems on defense, the ministers plan to discuss

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such related matters as the implications of economic deterioration for the political and social stability of member countries and possible effects on allied solidarity. They will also consider implications for the East-West balance of power, particularly the possibility that the West's bargaining position could be eroded.

NATO Secretary General Luns, for one, believes that many of the allies are exaggerating their economic difficulties and are unnecessarily curtailing their defense efforts. In a recent discussion with NATO ambassadors, he acknowledged that the economic ills of the UK, Italy, and Greece would probably force them to cut back on their defense efforts. But he maintained that Canada, the Netherlands, Belgium, West Germany, the US, and Norway had all become economically stronger during the last year and that they should be willing to do more for NATO. He professed an inability to understand why the allies could not achieve a real increase in defense spending every year when the Soviets were able to do so consistently.



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#### Specialization and Rationalization: A Way Out?

The Dutch suggested more than a year ago that a possible way out of the economic bind is to concentrate on "specializing" defense tasks (assigning responsibilities for certain tasks entirely to one or two countries). Dutch Defense Minister Vredeling has made the point that, if NATO does not make progress along these lines, the smaller members of the alliance will soon be unable to fulfill their defense

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responsibilities. He has even talked of his country being forced to eliminate one branch of its armed forces. Another Dutch official has said, in what other NATO members are treating as hyperbole, that the smaller countries might eventually decide that they can no longer afford the price of NATO membership and pull out.

The allies greeted the Netherlands' specialization initiative with some interest, and NATO has been working to determine which tasks can be accomplished in this manner. Several members, however, think that specialization does not really answer NATO's problems. The Danish ambassador to NATO, for example, has hypothesized that if NATO attempts to standardize its weapons, the major allies will get all the contracts. With regard to specialization of defense tasks, he has said that the flank countries would feel uneasy about relying on foreigners for crucial portions of their defense. The Dutch ambassador himself has admitted that specialization would not immediately result in savings, since many of the steps that might be taken would require fairly substantial initial outlays.

At the Brussels meeting, the defense ministers will weigh the meager efforts the alliance has already taken in the area of specialization. They will also be looking at progress in "rationalization," the attempt to increase efficiency by specializing defense tasks and standardizing weapons. NATO has begun studies in three areas--consolidation of training, consolidation of communications, and support of wartime lines of communication--but the ministers are not expected to approve any new efforts.

#### Detente

The highlight of the discussions will no doubt be the US report on the Vladivostok summit, particularly Washington's assessment of the agreement reached on SALT principles. The West European allies will be doing some hard thinking about how the SALT developments might affect the European security conference and the

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force reduction talks. The possibility of including US forward-based nuclear systems in the force reduction negotiations will be a subject of particular concern to the West Europeans.

The basic principles of detente will not be questioned at the ministerial because, in the words of a Danish representative in Brussels, detente is as non-controversial as motherhood. The West Europeans have no fundamental differences with the US on that issue and in recent committee papers have acknowledged the overwhelming importance to detente in general of US-Soviet bilateral dealings. Some of the allies, nevertheless, stress that the US and the West Europeans perceive detente in quite different ways, and this theme is likely to be heard again at the ministerial.

The French have been the most vocal on this point, using arguments that can be traced back at least to De Gaulle. At a recent meeting, a French representative maintained that Western Europe's geographical situation leads to a natural tendency on the part of some Europeans to stress defense rather than detente. To the West Europeans, the threat of Soviet control of Europe is a matter of survival, while the US merely "senses" the danger. He was afraid, therefore, that superpower detente might eventually go so far as to produce an agreement that would not take West European interests sufficiently into account.

Despite this fear, the French have joined the allied consensus concerning the importance of US-Soviet detente. One Frenchman has remarked that "without it, we would all be destroyed." The French have nevertheless made clear that their national detente policies are in no way dependent on relations between the US and the Soviet Union.

The Italians seem to share the French concerns. Drawing on remarks of Secretary Kissinger to the effect that the results of detente should be judged on a global basis, an Italian representative asked recently whether this approach posed possible dangers

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for the West Europeans. He suggested that the US can accept negative results in some negotiations in order to obtain positive results in others. The West Europeans, on the other hand, tend to seek a balance between the positive and negative in each negotiation in which they are involved. He pointed in particular to the European security conference, where the West Europeans have long felt that the US has not taken a sufficiently hard line.

The West Europeans will probably be revealing more than a little bit of impatience and frustration during the detente discussion. They have long attached great importance to reaching meaningful agreements at the European security conference, and in recent months many of them have developed a new interest in progress at the force reduction negotiations. Both sets of talks, in which the allies have so much at stake, are progressing slowly.

Within the last three weeks, the European security conference in Geneva has registered progress for the first time in several months. The US thinks that if the Soviets continue to show signs of flexibility, it may be possible to conclude the substantive work of the conference by next spring. The French also seem to believe that further modifications in Soviet policy toward conference issues can be expected.

The rest of the NATO allies dismiss recent signs of Soviet flexibility as no more than the usual tactic of trying to induce forward movement just before a recess. They are not convinced the Soviets will continue to be accommodating when the talks resume in January. At a recent NATO meeting, many of the allies agreed that they should continue to negotiate with "tenacity and patience" since progress at the conference has been achieved through Western "firmness, determination, and cohesion."

While it may be possible to hold out at the security conference on the basis of principle, hard realities are coming to bear on the Vienna force reduction talks. In Vienna, it is the West Europeans

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who may soon be arguing for changes in the Western position. Several West European governments, faced with deteriorating economic situations and little public support for a high level of defense spending, have come to perceive the force reduction talks as a useful vehicle for making troop cuts in a multilateral setting. This new interest on the part of the West Europeans increasingly overshadows their earlier basic concern that the negotiations not restrict the possibilities for future European defense cooperation. At this point, the potential of the negotiations to produce defense savings makes the allies restless about the stalemate in Vienna and anxious to consider changes in the Western negotiating position that might produce progress.

The possibility of linking the force reduction negotiations with the European security conference, which has already had considerable discussion within the alliance at US initiative, may come up at the ministerial. The idea would be to turn around the Soviet suggestion that the force reduction talks can go nowhere until the security conference has concluded and to threaten, instead, to hold back the security conference until the Soviets are forthcoming at the force reduction talks. The allies have tentatively concluded that linkage of this sort would not be effective now, although it might be considered again at some future point. They are afraid that such a move might result in deadlocks at both conferences, adverse public and parliamentary reactions, and a negative impact on detente in general. At the security conference itself, the allies are afraid that the Soviets would be given an opportunity to drive a wedge into NATO unity and possibly to pick up support from some neutral and nonaligned countries, which would be alienated by any allied tactic that slowed down the security conference.

#### Planning for NATO Forces

One of the main items on the agenda of the defense ministers this December will be "key elements of ministerial guidance." It is NATO practice for the defense

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ministers to provide the alliance's defense planners with "guidance" to assist them in setting NATO force goals for a five-year period. The process of agreeing upon such guidance has normally been routine, sparking little controversy. For the planning period 1977-1982, however, the US has recommended that NATO adopt a long-term defense concept in place of the usual guidance, and some fairly heated discussions of strategy have resulted. The concept as a whole does not need to be approved until the ministerials next spring, but certain "key elements" will be taken up in the December meetings.

The controversy so far has centered on the emphasis the US gave to NATO's conventional forces in a preliminary draft. Despite protestations of US representatives that the draft concentrated on conventional forces because they are the ones that need the most work, some allies thought that the US had basic strategic changes in mind and was attempting to effect them outside the normal NATO machinery. The West Germans, Belgians, and British all stressed that NATO's strategy was based on a triad of conventional forces and strategic and tactical-nuclear elements, and that to stress conventional forces was to place the other elements of the triad into question. They were particularly concerned that the credibility of the nuclear deterrent might decline. They all maintained that they recognized the need for improving conventional forces, but they wished to be sure that this was done without putting the triad out of balance.

Behind the criticism of the US paper is a continuing concern on the part of the West Europeans that the US might limit its response in the event of a conventional Soviet attack on Europe. A number of recent events, beginning with the 1973 US-Soviet agreement on the prevention of nuclear war, have generated this sort of anxiety. In the present instance, wording changes in the US draft and assurances that Washington is still a firm believer in the triad concept have somewhat assuaged the fears. Nevertheless, some defense ministers at the December meeting are likely to stress once again the importance of maintaining the current NATO strategy.

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Suspicion that the US might be prepared to have its forward-based nuclear-capable systems in Europe covered in a force reduction agreement resulting from the Vienna talks could add to the nuclear anxiety of the West Europeans.

### Outlook

As the December ministerial approaches, NATO is plagued by increasing pressures. There are problems of the sort presented by Greece and Portugal, in which the integrity of the alliance is directly threatened. And there are pressures such as those created by the economic difficulties that member states are experiencing, in which the threat to the alliance is every bit as direct, and even more serious. NATO members are increasingly realizing that the press of economic circumstances could so reduce their defense efforts that the strength of the alliance could be dangerously sapped.

Neither sort of pressure seems likely to go away, and both show every sign of intensifying. NATO can probably do little about situations of the Portuguese and Greek type, except to handle them as flexibly and deftly as possible. Steps could be taken, however, to head off the effects on NATO defenses of the economic pinch. Yet the members seem unprepared to move. A recent report of the Defense Planning Committee called the problems grave but the opportunities great, and stated that what is required is a firm commitment on the part of each NATO member, enforced from the highest levels. But it is precisely that kind of commitment and enforcement that is presently lacking in the governments of many of the allies. There is a paucity of political will, a reluctance to move forward with solutions that are both logical and bold.

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